



Urban Planning Committee



Agenda

Monday 30 October 2017

6.00pm

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee Members and/or Staff to present apologies and/or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (e.g. applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allocated four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Recommendation only to the Full Council:

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- Broad strategic matters, such as:-
 - Town Planning Objectives; and
 - major planning initiatives.
- Matters not within the specified functions of the Committee.
- Matters requiring supplementary votes to Budget.
- Urban Design Plans and Guidelines.
- Planning Proposals and Local Environment Plans.
- Residential and Commercial Development Control Plans.
- Rezoning applications.
- Heritage Conservation Controls.
- Commercial Centres Beautification Plans of Management.
- Matters requiring the expenditure of moneys and in respect of which no Council vote has been made.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

Delegated Authority ("D" Items):

- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agendas (and as may be limited by specific Council resolutions).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Urban Planning Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.
- Statutory reviews of Council's Delivery Program and Operational Plan.

Urban Planning Committee Membership:

7 Councillors

Quorum:

The quorum for Committee meeting is 4 Councillors

Woollahra Municipal Council

Notice of Meeting

26 October 2017

To: His Worship the Mayor, Councillor Peter Cavanagh, ex-officio
Councillors Mary-Lou Jarvis (Chair)
Matthew Robertson (Deputy Chair)
Luise Elsing
Nick Maxwell
Lucinda Regan
Richard Shields
Toni Zeltzer

Dear Councillors

Urban Planning Committee – 30 October 2017

In accordance with the provisions of the Local Government Act 1993, I request your attendance at Council's **Urban Planning Committee** meeting to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 30 October 2017 at 6.00pm.**

Gary James
General Manager

Meeting Agenda

Item	Subject	Page
1.	Leave of Absence and Apologies	
2.	Late Correspondence	
3.	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 28 August 2017 - 17/178767	7
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Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Briefing paper on potential measures to facilitate Affordable Housing in the Woollahra LGA - 17/184170	9
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Item No: D1 Delegated to Committee
Subject: **CONFIRMATION OF MINUTES OF MEETING HELD ON 28 AUGUST 2017**
Author: Sue O'Connor, Secretarial Support - Governance
File No: 17/178767
Reason for Report: The Minutes of the Urban Planning Committee of 28 August 2017 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

THAT the Minutes of the Urban Planning Committee Meeting of 28 August 2017 be taken as read and confirmed.

Item No: R1 Recommendation to Council

Subject: **BRIEFING PAPER ON POTENTIAL MEASURES TO FACILITATE AFFORDABLE HOUSING IN THE WOOLLAHRA LGA**

Author: Jacquelyne Della Bosca, Executive Planner

Approvers: Chris Bluett, Manager - Strategic Planning
Allan Coker, Director - Planning & Development

File No: 17/184170

Reason for Report: This report responds to a notice of motion dated 8 March 2017 where it was resolved that Council:

1. Notes the merit in ensuring adequate affordable housing stock such that those members of our community who provide essential services including teachers, child care workers, nurses, firefighters and retail staff are able to live in in our municipality and not just be part of our community during their working hours.
2. Accepts that the extraordinary cost of housing in the Woollahra LGA, and the very limited amount of existing social and affordable housing, greatly limits the ability of people on average weekly earnings, or any income level below that, to live in the Woollahra community.
3. Requests staff to prepare a report on measures that can be adopted by Council, both in our planning instruments and in the use of our property portfolio, to increase affordable housing stock in a coordinated and strategic manner across the Woollahra LGA.

Recommendation:

- A. That Council notes that:
 - i. the Greater Sydney Commission has recently exhibited the Draft Central District Plan which sets out a suggested framework for councils to address and deliver affordable rental housing and will require Council to prepare a new housing strategy,
 - ii. the draft framework for affordable rental housing is being reviewed in response to submissions by councils, the development industry and other interested parties,
 - iii. additional research on the subject of affordable rental housing and an appropriate way of facilitating its delivery is being carried out by a variety of parties including the Greater Sydney Commission, the Department of Planning and Environment and the Southern Regional Organisation of Councils.
- B. That a further report be prepared for the Urban Planning Committee once the Central District Plan has been finalised and published. The report is to provide an overview of revised housing affordability provisions.
- C. That Council investigate opportunities to deliver affordable rental housing, including opportunities on its own land, when preparing the housing strategy required under the Central District Plan.

1. Context

The Greater Sydney housing market is recognised as one of the least affordable in the world, ranked second only behind Hong Kong as the least affordable in the *13th Annual Demographia International Housing Affordability Survey: 2017*.

In the past decade the average time taken to save a 20 per cent deposit on a house in Sydney has grown from five to eight years.¹ This is not surprising given that Sydney home prices increased almost 60 per cent in five years between the 2011 and 2016 census² while over the same period wages growth has declined from around 3.9% to 1.9%³.

This problem with affordability is also reflected in the rental housing sector. The latest Rent Affordability Index (RAI) identifies that “Greater Sydney not only continues to be the least affordable of the regions studied, but is at its lowest level since at least mid-2016.” The RAI Key Findings Report (May 2017) states that “Rents are “Severely Unaffordable within a 10 kilometre radius from the Sydney CBD with the average household facing rents at more than 60 per cent of their total income in some inner postcodes.” The report identifies Sydney’s top 5 least affordable postcodes for the December 2016 quarter, of which three are located in the Woollahra LGA: 2028 (Double Bay), 2027 (Darling Point, Point Piper and Edgecliff) and 2025 (Woollahra).⁴

This is not only a social problem but an economic problem. Affordable housing is vital for the economic functions and competitiveness of Sydney. If essential workers on low to moderate incomes cannot afford to live in Sydney it will undermine Sydney’s status as a global city.

The Australian Housing and Urban Research Institute states that as of 2017, 373,000 households in NSW cannot get into housing at market rates, or are under rental stress.⁵

A range of economic and demographic factors have contributed to the current housing affordability problem including low interest rates, the availability of credit, Commonwealth tax settings such as negative gearing and capital gains tax, speculative investment in housing, the role of self-managed superannuation funds, and foreign investment. Along with an increasing population, these factors have put pressure on housing demand relative to supply, resulting in significant and sustained increases in the cost of housing.

NSW Government’s Greater Sydney Commission (GSC) identifies that this challenge is particularly acute in established areas undergoing urban renewal and gentrification because development, although providing additional housing, has reduced the affordability of housing and displaced low income households.

This report focuses on Council’s role and capacity to address housing affordability, and in particular responds to a notice of motion requesting that staff identify measures that can be adopted in Council’s planning instruments and the use of its property assets to increase affordable housing stock across the Woollahra local government area (LGA).

Within this context it is therefore important to define what housing affordability is, and to specifically differentiate this from the affordable housing product that can be created from local government intervention (which this report will focus on).

2. What is affordable housing?

General concept of housing affordability

The general concept of housing affordability conveys the notion of having reasonable housing costs relative to income⁶.

Housing is affordable if it is appropriate for the needs of a range of very low, low, and moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income.⁷

If these very low to moderate households are spending more than 30% of their income on housing costs, it is likely to impact their ability to afford other basic living costs and these households are described as being in housing stress.

Specific use of the term affordable rental housing

The term affordable housing has also gained a more narrow and specific meaning within the planning and housing sectors - it is a very specific housing product delivered through government intervention that has been built to be occupied by households on very low to moderate incomes. These households are ineligible for social/public housing but are also unable to participate effectively in the private rental market because of the cost.

The Centre for Affordable Housing in Family and Community Services (FACS) identifies that this type of affordable housing product generally has the following characteristics:

- it is housing that has been developed with assistance from government, including through planning incentives
- is occupied by low to moderate income households
- is most commonly available for rent rather than purchase
- may include a range of housing types and sizes
- is eligible only to those that meet specific criteria in addition to the income thresholds (e.g. must be a key worker in an essential service employed in the LGA for more than 5 years)
- may be owned by private developers or investors, local governments, charitable organisations or community housing providers
- is usually managed by not for profit community housing providers.

Because affordable housing is almost always available for rent rather than purchase, this report will refer to this type of affordable housing as **affordable rental housing**. Using this term will help avoid any ambiguity between the type of affordable housing product developed with some government intervention (such as planning incentives) from the more general concept of housing that is more affordable.

Affordable rental housing is not social housing

It is important to note that affordable rental housing is not the same as social housing; it is a different housing product. Social housing is for the most vulnerable people in our community. Affordable rental housing is open to a broader range of household incomes than social housing, and in particular allows households to earn higher levels of income and still be eligible for placement in affordable rental housing.

For example, affordable rental housing is sometimes targeted at key workers that provide essential services such as teachers and nurses who are earning low or moderate incomes. Also rents for affordable rental housing are usually calculated differently to social housing and there are different tenancy arrangements.

The diagram below identifies the different types of housing products and helps explain how affordable rental housing fits within the context of other housing types.



Figure 1: Housing supply continuum

Source: Greater Sydney Commission Draft District Plan

Notes:

1. Transitional/ Support housing/ Supportive accommodation involves permanent, secure accommodation in self-contained apartments, together with on-site support services (such as counselling and life skills development) for people making the transition from supported living or homelessness to fully independent living. It is generally operated by not-for-profit organisations and charities for those requiring support.
2. Social housing is a type of affordable rental housing and comprises of subsidised housing, providing a secure, affordable rental option for people on very low and low incomes. Social housing is provided by public authorities, community housing providers and other not for profit organisations and includes properties owned or managed by Housing NSW and the Aboriginal Housing Office.

3. Cost of housing in Woollahra LGA

It is widely recognised that Sydney has a housing affordability problem, but in the Woollahra LGA the cost of housing is particularly high. This makes it difficult for people on average weekly earnings, or below that, to live in the Woollahra community.

- For a house at June 2016, the Woollahra LGA had a median valuation of \$2,977,916–
 - 40.4 % higher than the median for Sydney Eastern Suburbs and
 - 213.7% higher than the median for Greater Sydney.
- For an apartment at June 2016, the Woollahra LGA had a median valuation of \$1,086,340–
 - 18.1% higher than the median for Sydney Eastern Suburbs and
 - 55.3% higher than the median for Greater Sydney.
- For renting a house at June 2016, the Woollahra LGA had a median rental yield of \$1,263—
 - 9.1% higher than the median for Sydney Eastern Suburbs and
 - 142.9% higher than the median for Greater Sydney.
- For renting an apartment at June 2016, the Woollahra LGA had a median rental yield of \$680—
 - 7.9% higher than the median for Sydney Eastern Suburbs and
 - 36% higher than the median for Greater Sydney.

These figures from Council's Economic Profile database illustrate the significant barrier that very low and low income households face to buying or renting in the Woollahra LGA, and that the opportunity for moderate income households particularly those families with children seeking dwelling houses is not much better.

In fact barriers to home ownership also exist for those in higher income brackets with Hill PDA's analysis of the Double Bay Centre finding that "the majority of 25 to 35 years olds living in the Double Bay – Bellevue Hill locality earn incomes that significantly exceed that of others in their age bracket across Sydney. Notwithstanding this, only 20% of existing residents in this age group could reasonably afford to buy a new 1 bedroom apartment without car parking within the Double Bay Centre in their own right".⁸

The GSC also identified that only 29% of renting households in the Woollahra LGA are on very low and low incomes compared with 38% of renting households in the Central District (comprising Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, the City of Sydney, Waverley and Woollahra LGAs) and 47% for Greater Sydney.⁹

Consistent with this picture, the Centre for Affordable Housing identified that in June 2014 only 25.6% of rental stock in the Woollahra LGA was affordable. This compares with the Sydney average of 67.4% of affordable rental stock. Significantly of the 25.6% of affordable rental stock in Woollahra, only 1.2% was affordable for those on very low incomes and 4.7% was affordable for those on low incomes, the balance (19.7%) being affordable for those on moderate incomes. The high cost of housing creates a lack of diversity in the economic profile of households in the LGA.

This lack of diversity may also be reflected in the journey to work data. The 2011 Census identifies that 33.7% of people who work in the Woollahra LGA also live in the area. Council's staff employment records indicate that less than 8% of its current staff live in the LGA.

This housing situation is unlikely to change as the high land values in the Woollahra LGA are a significant determinant of the price of housing. High land and construction costs, combined with strong local demand for larger sized dwellings put sustained upward pressure on the housing products delivered to the market. Based on these factors it is unlikely there will be any notable increase in the supply of housing targeted at the affordable end of the market within the LGA without targeted government intervention.

This position is consistent with SSROC modelling which shows that strong intervention through the planning system and the direct creation of affordable rental housing will be needed if virtually any housing that is affordable is to be created in those LGAs within the Central District.

The question is what type of intervention is appropriate, effective and efficient? This report:

- identifies mechanisms currently available for Council to implement through its local environmental plan (LEP) that will contribute to affordable rental housing stock;
- looks at Council's property assets having regard to opportunities to directly provide affordable rental housing; and
- identifies the NSW Government's recent responses to the issue of housing affordability through the GSC's Draft Central District Plan.

4. Planning mechanisms available to Council for providing affordable rental housing

Although an objective of the *Environmental Planning and Assessment Act 1979* (the Act) is to encourage the provision and maintenance of affordable housing, the Department of Planning and Environment (DPE) has provided councils with a very limited range of planning mechanisms to facilitate the delivery of affordable rental housing stock. Rather its focus has been on increasing the supply of housing generally on the premise that increasing supply to meet demand will dampen housing costs.

Below is an overview of the planning mechanisms currently available to councils to deliver affordable rental housing. It includes a description of the legislative provisions that can produce affordable rental housing stock, which councils are using these mechanisms and commentary about the effectiveness.

The three primary mechanisms are:

- *State Environmental Planning Policy (Affordable Rental Housing) 2009*
- *State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes) SEPP 70*
- Voluntary planning agreements

State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP)

The ARHSEPP introduced in 2009 and further amended in 2011, seeks to retain and increase the supply and diversity of affordable rental housing and social housing across NSW. It applies to all councils.

The ARHSEPP facilitates development that provides for affordable rental housing, as well as development for more affordable dwelling types:

- It encourages affordable rental housing by providing floor space bonuses of between 0.2:1 to 0.5:1 (or 20%, whichever is greater) for villa, townhouse and residential flat building (RFB) development in accessible locations where these uses are already permitted, if projects include affordable rental housing that is between 20% and 50% of the gross floor area of the development. The affordable rental housing included as part of the development must remain as affordable rental housing for at least 10 years and must be managed by a registered community housing provider.
Note: accessible locations is defined as within 800m walking distance of a railway station or a Sydney Ferries wharf, or within 400m walking distance of a light rail station or a bus stop that is used regularly between 6am and 9pm Monday to Friday, and 8am to 6pm on weekends.
- It addresses general supply issues by encouraging dwellings that are typically forms of lower cost accommodation (such as boarding houses and granny flats) by:
 - providing floor space incentives to encourage investment in new generation boarding houses. These boarding houses may be developed on land in Woollahra LGA zoned R3 Medium Density Residential, B1 Neighbourhood Centre, B2 Local Centre and B4 Mixed Use.
 - allowing development for secondary dwellings (granny flats), group homes and social housing and supportive accommodation in a wide range of zones and locations including land in Woollahra LGA zoned R2 Low Density Residential.

The ARHSEPP also contains provisions to retain a proportion of existing low cost affordable rental housing when land containing a residential flat building with a low rental dwelling, or a boarding house is proposed to be redeveloped. The ARHSEPP requires a contribution as part of the condition of consent to be paid to help offset the loss of the low rental dwellings. Funds collected are used by FACS to support the retention and delivery of affordable rental housing and other types of housing that is affordable, such as boarding houses.

Commentary

Since the introduction of the ARHSEPP there have been no development applications (DAs) in the Woollahra LGA for villas, townhouses or RFBs that have used the FSR bonuses and provided affordable rental housing. However, a few boarding houses have been approved under the ARHSEPP including those at 148 Old South Head, Road Bellevue Hill; 76 Old South Head Road, Woollahra; 50-52 Edgecliff Road, Woollahra; and 370 Edgecliff Road, Woollahra. Randwick City Council on 1 June 2017 considered a report on *Impacts of the ARHSEPP within suburbs of Randwick City*. The report specifically looked at the new generation boarding houses approved under the ARHSEPP since 2009. It found that boarding houses have been the most popular form of development under the SEPP, with 500 rooms approved (the median number of rooms approved in each development is 13). Many of these boarding houses have been constructed and/or redeveloped in proximity to the University and hospital precinct and close to the town centres.

Most significantly the report identified that the dwellings in these new generation boarding houses were not necessarily providing affordable rental dwellings. The analysis found that while single rooms in older style boarding houses typically range from \$200-\$250pw, the rents achieved from the new generation boarding houses were often in the range of \$390-\$500pw, which is out of reach for those on lower incomes. It seems developers are taking advantage of incentives in the ARHSEPP, such as bonus floor space, to achieve a larger dwelling yield but the dwellings in these developments are not providing housing for low income groups in need. Instead anecdotal evidence suggests that these boarding houses are providing a form of university student accommodation.

The report notes that the ARHSEPP does not require dwellings in new generation boarding houses to be leased at affordable and/or subsidised rents, or to provide housing assistance to specific target groups such as very low to low income households. Randwick Council is questioning the effectiveness of this element of the ARHSEPP and will be raising its concern with the DPE.

Similarly, community housing providers have also raised concern with the effectiveness of the ARHSEPP in delivering new affordable rental housing; primarily the SEPP provides no certainty that affordable rental housing will be created, and those dwellings that are created only need to be retained as affordable rental housing for 10 years instead of being held in perpetuity.

In response to these concerns SSROC has recently commissioned the UNSW City Futures Research Centre to investigate the affordable housing outcomes of dwellings delivered under the ARHSEPP across the SSROC area. Amongst other things, the study will address new generation boarding houses and identify what percent is being used for student housing and what housing is affordable and used as long term accommodation. The first stage of the study findings will be reported back to SSROC in December 2017 with the final report due in April 2018.

State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes) (SEPP 70)

SEPP 70 functions as a type of mandatory inclusionary zoning. It enables a council to levy a development contribution for affordable rental housing as a condition of consent under section 94F and 94G of the Act “Conditions requiring land or contributions for affordable housing”. That contribution can be in the form of dwelling units or a monetary contribution.

Although clause 6 of the SEPP states that the SEPP applies to all land within the Greater Metropolitan Region, since the commencement of the SEPP in 2002 the specific clause that allows a council to include affordable rental housing provisions in its LEP (clause 3) has only been applied to large redevelopment precincts in the City of Sydney (e.g. Ultimo-Pyrmont and Green Square) and to certain land within the City of Willoughby.

The inclusionary zoning mechanism in Green Square was introduced in 1999. It operates on the premise that the land has increased in value as a result of its rezoning and public investment in infrastructure in the area. The City’s Green Square Affordable Housing Scheme seeks to capture some of this increase in land value for the provision of affordable rental housing units. All development in Green Square is required to contribute to affordable rental housing. The contribution requirements effective from 1 March 2017 to 28 February 2018 are:

- for residential development: on site 3% of the total residential floor area provided as affordable rental housing, or a monetary contribution of \$221.01 per square metre of the total residential floor area, and
- for non-residential development: on site 1% of the total non-residential floor area provided as affordable housing, or a monetary contribution of \$73.64 per square metre of the total non-residential floor area.

The aim is to provide about 330 dwellings as affordable rental housing over the next 15 to 20 years. So far over 100 units have been built.

Similarly, the City of Sydney’s Ultimo/Pyrmont affordable rental housing scheme introduced in 1996 has delivered more than 450 affordable rental housing units and the City aims to provide at least 600 rental units for very low to moderate income households as development continues in the area over the next 15 to 20 years.

The City of Sydney is a leader in the area of housing affordability policy and has created more affordable rental housing than any other NSW council.

Willoughby is making smaller but positive in roads. The Willoughby LEP 2012 identifies a number of sites where affordable rental housing is to be provided when the site is redeveloped (identified as Area 3 on the LEP Special Provisions Area Map). On those sites a contribution is required equivalent to 4% of the gross floor area of the residential component of the development, with each affordable dwelling having a gross floor area of at least 50m². If the 4% contribution is not enough to achieve a full dwelling unit, a monetary contribution is required based on the equivalent market value of the floor space.

Where affordable rental housing is provided on site, the area provided as the affordable rental dwelling is not included in the density calculations i.e. the affordable rental housing floor space is over and above the permissible maximum floor space. Taking this approach, Willoughby Council makes the dedication of dwellings more attractive than a monetary contribution. Since 1999, 22 affordable rental dwellings have been produced with more dwellings in the pipeline, and cash contributions of over \$7 million held in trust pending commencement of an affordable rental housing project on Council land in Artarmon.¹⁰

Commentary

The Affordable Housing Taskforce Interim Report 2012¹¹ found that a mandatory inclusionary zoning policy, such as SEPP 70, provides a level of certainty about the type of contribution required for affordable rental housing as it is established upfront in planning instruments, and this allows the contribution to be factored into the purchase price for land. The Taskforce identified that mandatory inclusionary zoning provisions are most commonly applied in conjunction with a significant increase in development potential through a rezoning, and that such policies have been shown to work most effectively in high value land locations. The Taskforce also found that when applied in conjunction with a significant increase in development potential, mandatory contributions did not tend to limit development feasibility, though it recognised that significant financial modelling is needed to underpin this type of policy to ensure the contribution is set at a rate that does not deter development.

NSW Federation of Housing Associations also advocates that mandatory inclusionary zoning is the most effective for delivering affordable rental housing as it provides certainty up front for the developers and council regarding what is required, provides a guaranteed pipeline of supply delivering efficiencies to industry, is less resource intensive than voluntary planning agreements as there are no separate negotiations for each individual application, and provides more consistent outcomes.¹²

For these reasons SEPP 70 is often seen as an effective mechanism to produce affordable rental housing, particularly when compared to other mechanisms available to councils within the existing NSW planning framework.

Notwithstanding, SEPP 70 has had a very limited application since it commenced in 2002 and at various times over the last 15 years other councils including Leichhardt, Parramatta, and North Sydney have shown interest in applying SEPP 70 to their LGAs, however the DPE has previously not supported expansion of the SEPP.

The DPE's position on SEPP 70 is again currently being tested by the councils at Canada Bay, Ryde, Randwick and City of Sydney.

Canada Bay Council is currently talking with the GSC about the prospect of applying the SEPP to the Rhodes East precinct where significant planning changes including upzoning are proposed.

The City of Ryde Council on 22 August 2017 resolved to prepare a planning proposal for affordable housing. The proposal includes an affordable housing contribution levy of 2% of the total floor area of the residential component for development within the R3 Medium Density Residential zone, R4 High Density Residential zone and/or a Town Centre, and a levy of 7% of the total residential component for development resulting from a change in the zoning of the land or a change in the maximum height and floor space permissible. The proposed LEP amendments would support the City of Ryde Affordable Housing Policy 2016-2031¹³ which establishes a framework to advocate for, facilitate, provide and manage affordable housing in the Ryde LGA.

Both Randwick City Council and the City of Sydney are further progressed and have lodged planning proposals with the GSC and are awaiting a gateway determination to exhibit their plans for public comment.

Randwick Council's planning proposal among other things, seeks to amend SEPP 70 and introduce affordable rental housing provisions into Randwick LEP 2012. The planning proposal was lodged in February this year for a gateway determination.

Randwick Council's planning proposal applies to the Kensington and Kingsford town centres and seeks to increase maximum building heights and FSRs. Under the proposal an affordable rental housing contribution will also apply to all DAs comprising residential development in these centres. The contribution is based on the gross floor area (GFA) of the residential component of development called the 'accountable total floor space'. The contribution will be introduced in stages commencing at a rate of 3% of accountable total floor space until June 2019, and then from July 2019 increasing to a maximum of 5%. Randwick Council prefers an in kind contribution, and identifies that the GFA of each affordable rental dwelling must be at least 50m² and incorporated within the proposed development. The scheme aims to deliver more than 200 affordable rental dwellings based on the anticipated residential floor space yield achievable under the proposed FSRs. Randwick Council's planning proposal has been with the GSC for almost 5 months awaiting the gateway determination.

The City of Sydney has lodged a planning proposal to amend the Sydney LEP 2012 and expand the operation of its current affordable rental housing contribution schemes to all "residual land" across the LGA (excluding Central Sydney), and to also provide a framework for identifying "sites that will benefit from increased development capacity" where a supplementary affordable rental housing contribution will apply. The contribution rates applying to the residual land will not be more than 3% and will only apply to development that creates new floor area or changes the use of the floor area from non-residential to residential. Contributions will be calculated at the following rates: from 1 June 2019 to 31 May 2021- 0.5% of total floor area intended for non-residential floor area and 1.5% total floor area intended for residential floor area, and then increasing from 1 June 2021 to 1% and 3% respectively.

Contributions on land identified as sites that will benefit from increased FSR (called Schedule 7 land in the planning proposal) will provide either 12% or 24% of additional floor area as affordable rental housing, depending on the precinct. The City of Sydney's planning proposal was lodged in May this year and at this stage has not received a gateway determination.

In the context of the experience of these councils there is uncertainty and a lack of direction from the GSC and DPE about the policy framework for addressing affordable rental housing.

The GSC's decisions on the Randwick and City of Sydney planning proposals will be of interest to many councils across Sydney, providing a strong signal about the GSC's position on the use SEPP 70, and particularly the application of affordable rental housing provisions in LEPs that are different to draft targets proposed in the GSC's Draft Central District Plan (see section 7 of this report).

Voluntary planning agreements (VPAs)

A VPA is an agreement entered into by a planning authority (such as Council) and a developer under which the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. That public purpose may be affordable rental housing.

VPAs provide a facility for a planning authority (such as Council) and a developer to negotiate flexible outcomes in respect of development contributions for a variety of public purposes, some of which extend beyond the scope of section 94 or section 94A of the Act. These additional purposes include the provision of affordable rental housing.

VPAs are provided under section 93F of the Act and may be negotiated when a change is sought to an LEP or at the DA stage. VPAs must be notified for at least 28 days and available for the public to inspect and comment on before being finalised. The VPA may be accepted as an alternative to all or part of the section 94 or 94A development contribution normally required under the council's plan.

When used to deliver affordable rental housing a developer may agree to dedicate dwelling units as affordable rental housing or pay a monetary contribution generally in exchange for an incentive, such as bonus FSR or a land contribution.

A study by Urbanista in 2016¹⁴ identified that VPAs have been used to deliver affordable rental housing in Waverley Council (43 dwellings since 2000, but some of these are not held in perpetuity) and Canada Bay Council (27 dwellings since 2007). VPAs have also been used at City of Sydney (approximately 97 dwellings since 2009), Randwick Council (20 dwellings since 2012) and Parramatta Council (7 dwellings since 2009). The Urbanista study found that typically these VPAs have been applied on larger urban renewal development sites and the councils involved each have affordable rental housing strategies and VPA policies to guide the preparation of VPAs so that the negotiation process is undertaken in an effective, fair, transparent and accountable manner.

It is relevant to note that in February 2016 Woollahra Council prepared and exhibited the Draft Woollahra Voluntary Planning Agreement Policy. The draft policy identified a methodology for preparing VPAs and the purpose and situation in which VPAs could be used. Following the exhibition, a report was put to the Urban Planning Committee on 9 May 2016 with a staff recommendation to approve the draft VPA policy. However, the UPC, having regard to the submissions received during the exhibition, amended the recommendation to recommend refusal. The matter was considered by Council on 23 May 2016 where it was refused for the following reasons:

1. *Council already has section 94 contributions and 94A levies that deal with issues raised in this policy.*
2. *This policy will give rise to increased development.*
3. *Concerns with the precedent set by the Voluntary Planning Agreement Policy.*
4. *Belief that the Voluntary Planning Agreement Policy will undermine the DCP and LEP.*
5. *Concerns with how the money generated from the Voluntary Planning Agreement Policy will be spent and the proximity of the public benefit as the test is the benefit to the developer.*
6. *Make it clear in an amalgamated environment that Council does not want this sort of delegation to the General Manager.*

Commentary

So far the number of affordable rental dwellings produced using VPAs has been modest despite some councils' best efforts. Furthermore, the delivery of affordable rental housing through VPAs has been resource intensive, protracted and produced inconsistent in outcomes.

The Affordable Housing Taskforce identified fundamental difficulties with VPAs, finding that:

*“the application of this tool is time consuming as each negotiation is different, their effectiveness relies on skilled staff to negotiate the terms and conditions of the agreement and outcomes may vary considerably so that consistency of what is required or may be delivered is not provided for the development sector or government. Further work is required to standardise processes to make planning agreements a more practical and efficient means to identify and secure affordable housing through these arrangements”.*¹⁵

Urbanista's study of planning mechanisms used to deliver affordable rental housing also came to a similar conclusion:

"By their very nature voluntary agreements are negotiated on a case-by-case basis and therefore are resource intensive and will not generally deliver a predictable flow of contributions towards affordable housing".¹⁶

In November 2016 the DPE published the *Draft Practice Note: Planning Agreements* to help improve the policy framework for VPAs by providing best practice guidelines and policy considerations for using VPAs. Although the draft note provides some guidance, the VPA process inherently provides for flexible and negotiated outcomes so it is unlikely that VPAs will deliver a consistent and certain flow of affordable rental housing stock.

5. Direct delivery of affordable rental housing by councils

In the absence of effective and efficient planning mechanisms that deliver affordable rental housing, a few councils have sought to directly increase affordable rental stock by entering into partnerships with the State Government, community housing providers and/or private developers. In these joint ventures the council has generally contributed land, but sometimes other resources such a funding.

For example, in 2008 Randwick Council entered into a joint partnership arrangement with the not for profit community housing association, Community Housing Limited (CHL) to build an affordable rental housing development comprising 8 units on council land at Maroubra. In addition to the land valued at \$1.4 million, Council also contributed \$500,000. CHL was responsible for construction costs of around \$1.3 million. The Commonwealth and NSW Governments also provided funding support for 10 years under the National Rental Affordability Scheme to ensure that the units remain affordable to low and moderate income earners. The project was completed in 2012 and valued at around \$3.3 million. Ownership of the units was allocated based on the parties' contribution. The units are leased through an approved community housing association to eligible households in accordance with Randwick Council's Affordable Rental Housing Program.^{17, 18 and 19}

The City of Sydney has also used its property assets to leverage the delivery of affordable rental housing on various sites including the former Royal South Sydney Hospital site at Portman Street in Green Square (completed in 2016) and the Harold Park urban renewal precinct. As recently as June this year the City announced it is selling more than 8900m² of surplus land in Alexandria at a discounted price to the community housing provider, City West Housing. It expected that the project will be completed by late 2018 and will include around 65 affordable rental housing dwellings comprising a mix of 1, 2 and 3 bedroom apartments. A number of other providers are also tendering for the smaller, southern portion of the site, which will provide opportunity for additional affordable rental housing units.^{20 and 21}

The City of Sydney, unlike most other councils, has significant property assets and is in a strong financial position. It therefore is much better placed than most other councils to identify surplus land and leverage that land for affordable rental housing.

6. Using Council's property portfolio for affordable rental housing

Most of the land owned by Woollahra Council is used for open space, drainage, roads, administrative or community purposes and needs to be retained for these uses. Those sites used and zoned for commercial or residential purposes are generally small sites less than 500m² and not suitable for redevelopment or use for affordable rental housing. The Ian Street and Wilberforce Avenue carparks in Rose Bay and the Cross Street carpark in Double Bay are two of the few Council owned sites which have development potential.

Council is currently in negotiations with a consortium to redevelop the Cross Street car park for new parking, a cinema complex, ground level retail and residential apartments above. This proposal may have the capacity to deliver a component of affordable rental housing but the provision of such housing would impact on the commercial terms between Council and the consortium including any upfront payment which may be required by the consortium. The high cost location means that the degree of public subsidy or reduced income to achieve affordable rental housing on this site will be much higher than other lower cost locations within the eastern suburbs.

In relation to the Rose Bay car parks feasibility studies and concept plans have been completed and presented to Council with the view of redeveloping the Wilberforce car parking site for additional public parking and community facilities, and on the Ian Street site, a mixed retail and residential development. There may be some capacity to deliver a component of affordable rental housing on the Ian Street car park site. However, similar to Double Bay, the high cost location means that the degree of public subsidy will be high because of the greater differential between the delivery cost of each unit and the low rental returns achieved for affordable rental housing. Therefore, it is likely that affordable rental housing can be more efficiently delivered on lower cost sites in the eastern suburbs.

Both of these examples indicate the challenges of providing low rental accommodation on high value sites. More efficient delivery of affordable rental housing is likely to be achieved on lower cost sites in other parts of the eastern suburbs. These considerations will be explored in the Council's future housing strategy.

7. NSW Government and the Greater Sydney Commission's Draft Central District Plan

As identified in sections 4 and 5 above Council's ability to intervene in the market to require the delivery of affordable rental housing is very restricted under the current planning framework, and where councils have sought to deliver affordable rental housing such as through VPAs, those attempts have been resource intensive, protracted, inconsistent in outcomes achieved, and most significantly have produced limited affordable rental housing stock.

With housing affordability identified as the biggest issue people have across the state, the NSW Government is seeking to provide leadership in addressing housing affordability and the delivery of affordable rental housing. As part of this it established the GSC at the start of 2016 to create a strategic framework for local planning across the Greater Sydney metropolitan area.

The GSC has prepared the Draft Central District Plan which proposes a 20 year vision for the Central District, applying to Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, the City of Sydney, Waverley and Woollahra LGAs. By 2036, the District's population is projected to grow by an estimated 325,000 people and 157,000 additional dwellings will be required. The Draft District Plan identifies that the Woollahra LGA is estimated to grow by 2050 people and Council has been set a housing target of 300 new dwellings over the period 2016 to 2021 (which is relatively modest compared to all other LGAs in the Central District).

Under the Draft District Plan Woollahra Council will need to prepare a local housing strategy to address housing needs across the LGA, having regard to the following matters:

- the planning principles and directions in *A Plan for Growing Sydney*
- capacity to support the five year housing target of 300 dwellings
- capacity to support the strategic housing need of the LGA for the next 20 years (target not yet nominated)
- local demographic and socioeconomic characteristics
- the local housing market including feasibility of development for different housing types
- development staging and market take-up rates and how this aligns with demand
- challenges and opportunities relating to infrastructure provision
- urban form and place making
- accessibility of housing to employment opportunities
- ways to address housing diversity that are relevant to the needs of the existing and future local housing market including opportunities for, and blockages to, housing diversity and adaptability
- opportunities to improve housing affordability
- the prospective displacement of affordable housing
- opportunities for additional capacity around centres and other areas with good transport connectivity and service provision
- specific local market complexities including addressing ways to incentivise for the provision of larger group homes, smaller homes for singles and couples only, intergenerational homes and medium density housing required by the local community
- consider ways to provide adaptable housing in accordance with design guidelines by Liveable Housing Australia.

The Draft District Plan states that housing affordability is a significant concern for many residents, with only 17% rating housing affordability as 'excellent' or 'very good' and only 19% rating the overall cost of living 'excellent' or 'very good'. It cites recent research by the Australian Housing and Urban Research Institute which found that the group of households most likely to be in long-term housing stress are couples with children (particularly those aged between 35 and 54) and households with a family member with a disability. Recent research estimates that Greater Sydney requires at least 4,000 to 8,000 additional affordable dwellings per annum to meet the needs of this income group.

The Draft District Plan identifies a range of measures to improve affordability across the housing continuum. It seeks to increase not only the supply of housing but also in the diversity of housing types and sizes that offers different price points (which can help improve affordability). However, it recognises that housing supply and diversity are only part of the solution, and to that end, it also establishes an Affordable Rental Housing Target.

The Affordable Rental Housing Target is 5% to 10% of uplift, subject to viability. At this stage it is anticipated that SEPP 70 will be the statutory mechanism used to implement this policy.

The Draft District Plan Information Note 4 on Affordable Rental Housing Targets provides the following explanatory advice:

- The Affordable Rental Housing Target will apply to land that is the subject of up-zoning (a change of land use to residential or an increase in permissible residential development density). The Target must be announced prior to, or at the time of, rezoning to give the market certainty about the amount of affordable rental housing to be provided, and so that it can be factored into the development equation.
- The Target will apply to land within new urban renewal or land release areas (both government and private) identified via a local or district housing strategy, or another form of appropriate research that illustrates a current or future need for affordable rental housing. Although the target specifically applies to urban renewal or land release areas, Liveability Action L6 of the Draft District Plan states that: *“In relevant areas, we will support councils and the DPE in amending SEPP 70. The application of the target identified in this Draft District Plan should not prejudice negotiations to secure affordable housing in other locations where this target is not applicable”*.
- The Target will be calculated as a proportion of all residential floor space above the base FSR (that is, the residential FSR that was permissible before the up-zoning within the nominated area).
- The Target will be subject to development feasibility testing across the nominated area to ensure that the Target will not make supply of market housing economically unviable. The work to determine an appropriate and viable target for a nominated area is to be undertaken by the relevant planning authority responsible for the urban renewal or land release area. (The GSC states that it will provide further details on viability testing assumptions and parameters in a subsequent Information Note.)
- There is no minimum dwelling threshold for development above which the Target would apply. However, the GSC will further investigate whether it would be appropriate for developments of a smaller scale to pay a financial contribution in-lieu of providing affordable rental housing dwellings. Similarly, it will investigate whether there are other exceptional circumstances in which an in-lieu contribution might be acceptable. For example, this might occur where it would result in an overall improvement in the supply or location of affordable rental housing.
- Housing delivered through the target is to be allocated to low and very low income households, though the proposal does not preclude councils from negotiating additional affordable rental housing for moderate income households.

The proposal for the Affordable Rental Housing Target has raised significant interest amongst local government, community and development sectors. Community groups and housing providers such as the Sydney Alliance²² and NSW Federation of Housing Associations²³ are concerned that the GSC’s proposal of requiring 5% to 10% of only the uplift as affordable rental housing will result in very modest gains of affordable rental stock.

On the other hand the development industry’s concerns generally focus on the cost implications of the target and impacts on development feasibility, with many identifying that height and FSR bonuses should instead be provided as an incentive to include affordable rental dwellings in developments²⁴.

Councils want leadership from the GSC and a clear and consistent policy and statutory framework that provides certainty and is coordinated, transparent and relatively easy to administer. Unfortunately there is insufficient information in the Draft District Plan for Council to be confident that the Affordable Rental Housing Target provides an efficient and effective policy solution, and in Woollahra Council's submission to the Draft District Plan we have requested that the guidelines should:

- clarify how a precise percentage within target range of 5% to 10% as expressed in the District Plan will be determined for a particular development;
- identify the minimum information required to assess development feasibility in cases where a target applies;
- identify exceptions to requiring affordable rental housing; and
- set out the legal mechanisms for securing the affordable rental housing.

The GSC advises that it will publish further information in a subsequent Information Note prepared with the DPE and in consultation with local government, State agencies, community housing providers, the private sector and the community. We hope that the Information Note addresses the questions Council has raised.

The GSC also acknowledges that there are other mechanisms and approaches the NSW Government can use to address housing affordability broadly and affordable rental housing specifically. It states in the Draft District Plan under Liveability Action L8 that it will work with councils, industry, financial institutions and relevant State agencies (including community housing providers) to investigate or advocate for new opportunities, such as:

- planning approaches to support the community housing sector to better leverage housing affordability supply outcomes
- broader financing and taxation changes such as changes to asset classes for superannuation funds
- amendments to existing tenancy legislation to allow longer term rental leases to improve security of tenure
- more cost effective and innovative building approaches, including prefabricated and modular housing, collective housing, maximum car parking rates and more compact housing forms of suitable design quality.

The Draft District Plan was on exhibition from November 2016 to March 2017. Over 2300 submissions were received, including submissions from Woollahra Council²⁵ and the Southern Sydney Regional Organisation of Councils (SSROC)²⁶. The GSC expects to publish the final Central District Plan later this year.

8. Commonwealth Government

Housing affordability is not just a state and local issue, and in the 2017-18 Budget the Commonwealth Government announced that it is introducing a new National Housing and Homelessness Agreement with State and Territory governments (NHHA) to deliver more affordable housing and build more homes. Under the NHHA, funding to State and Territory governments will be linked to outcomes in priority areas including:

- aggregate supply targets, including targets for social and affordable rental housing;
- residential land planning and zoning reforms;
- inclusionary zoning arrangements (land use planning intervention requiring or incentivising affordable housing including dedicated first home buyer stock).²⁷

From 1 January 2018, the Government will also increase the capital gains tax discount to investors in qualifying affordable housing from 50% to 60%. To qualify for the 60% discount, an investment property must be supplied for affordable housing for a period of at least three years from 1 January 2018.²⁸

The Commonwealth Government has also convened an Affordable Housing Working Group to identify innovative financing models that attract private and institutional investment into affordable rental housing as a way to boost the supply of affordable rental housing within the social housing sector and private rental market for low income households. The Working Group reported to Heads of Treasuries in December 2016 recommending the establishment of a bond aggregator²⁹ and on 22 September 2017 released a further report *Supporting the Implementation of an Affordable Housing Bond Aggregator* that examined how existing housing policy and regulatory settings could be reformed to assist with achieving the policy outcomes desired through the implementation of a bond aggregator.

A bond aggregator is a financial intermediary that matches the financing requirements of the community housing sector with the investment preferences of institutional investors. It works by collecting and aggregating the debt of community housing providers (CHPs) and periodically issuing bonds through wholesale debt markets to large scale investors. The bond aggregator operates like a government bank, issuing cheap debt to community housing organisations so that they can build more houses with the same amount of money. The bond aggregator helps address one of the major challenges facing CHPs, which is the ability to access cheaper, longer term financing. The Affordable Housing Working Group identifies that, if implemented effectively, a bond aggregator will lower the operational and capital costs for CHPs and provide efficiencies for investment in the creation and retention of housing specifically for households on low incomes.³⁰

The Affordable Housing Working Group also found that in addition to the bond aggregator, complementary reforms are required to ensure growth in affordable rental housing stock, this included:

- planning mechanisms such as inclusionary zoning, incentives that offer increased development yield, or affordable housing levies. The Working Group identified that tools such as inclusionary zoning are most effective when used as a form of ‘value capture’ in cases where it seeks to reclaim some of the gain accruing to developers from changes in zoning, or when Government is the landowner and can absorb any cost in return for affordable housing outcomes. However, it also found that in high value areas, affordable housing levies applied at the council level are a more practical method compared with inclusionary zoning because it can be less feasible to have low income tenants in high end/upmarket developments.
- rezoning land to allow greater density which increases housing supply generally.
- better use of surplus government land which could be sold at a discounted price to a developer with an obligation to build affordable housing.
- strengthening regulation of the community housing sector to give potential investors confidence that the CHPs are well governed, capable of meeting their debt obligations and that financial and operational risks are appropriately managed.
- replacing stamp duty with a land tax which would increase mobility and allow a better allocation of housing stock, freeing up supply from the existing stock of homes and placing downward pressure on market prices.³¹

The September 2017 report recommendations and findings are currently being considered by the Commonwealth Government and Heads of Treasuries.

9. Ongoing advocacy by SSROC, the Planning Institute of Australia and community housing providers

Community and housing groups, the development industry and academics have also made strong contributions to the debate on housing affordability and how to best deliver affordable rental housing through market intervention.

In particular SSROC has been a strong advocate and in July this year Council's planning staff participated in the *Affordable Housing Forum* held by SSROC, the Planning Institute of Australia and community housing providers. The forum was attended by the Hon Anthony Roberts MP, Minister for Planning, Minister for Housing and Special Minister of State. The forum focused on how stakeholders can better work together to deliver affordable rental housing to low and moderate income earners.

The Forum presenters and participants provided a wealth of information, experience, and ideas that informed a Communique on Affordable Housing. The key issues raised in the Communique include:

- More than 5,000 per year of social and affordable housing is required in Sydney but only 10,000 is planned for the next 20 years.
- District, Precinct and Local Council's Community Strategic Plans should include affordable housing targets and housing mix for a diverse community.
- There should be affordable housing targets of 5-15% in new large developments and precincts and higher targets for state owned lands (up to 20%).
- The Commonwealth, NSW and local governments need to identify unused and underutilised land that may be suitable for affordable housing.
- The DPE should enable more councils to embed inclusionary zoning schemes within local planning frameworks, particularly in growth areas or areas undergoing renewal.
- The DPE should enable councils to include a mandatory requirement for affordable housing in their LEPs where there is land value uplift to support its application, including government land.
- The DPE should establish a single statutory planning policy framework (Model Code) for the application of inclusionary zoning measures, density bonuses and compensatory measures for affordable housing, including consolidating relevant SEPP 70 and ARHSEPP provisions.
- Value capture mechanisms have a role to play in providing affordable rental housing. (Note: Value capture is a process where land value is increased by significant infrastructure around it or due to rezoning, and a proportion of the increase in value or 'uplift' is captured by local or state governments for community infrastructure or affordable housing.)
- There needs to be a consensus position around capturing an even share of value uplift through a consistent policy that is clear and transparent for the development community.
- There is a need for a new approach to promote small, intergenerational and manor-house style dwellings as affordable housing rental options in the inner suburbs of Sydney. This could be in form of a new zone category for "un-subdividable build to rent multi family home" on R2 Low Density Residential zoned land.
- The Federal Government should support an affordable housing growth fund (tax credits, grants) matched by states to replace the National Rental Affordability Scheme.
- A bond aggregator is supported to enable community housing organisations to access lower cost finance at scale for affordable housing projects.
- Incentivise occupancy for rental investment properties.

These policy and strategy measures identified in the Communique on Affordable Housing are diverse and multi-pronged. Such a broad response is needed to reflect the complexity of factors that have contributed to the housing affordability problem. The SSROC will use this Communique to advocate for change within Commonwealth and State governments.

10. Conclusion

There is a distinct lack of affordable rental housing in the Woollahra LGA and its very high property prices place significant barriers to entry into both the rental and home ownership markets. Therefore, as a matter of good policy, and to provide increased opportunities for essential workers to live in the Municipality, Council should explore opportunities to increase the delivery of affordable housing.

The primary opportunity will be through the preparation of Council's local housing strategy required under the GSC's Central District Plan. The Draft Plan is still being finalised but it will include an affordable rental housing target for councils. The GSC is currently reviewing submissions and the Draft Central District Plan and Information Note on the Affordable Rental Housing Targets are expected to be finalised this year.

In light of this upcoming housing strategy and the evident lack of support by the DPE at this time for inclusionary zoning mechanisms for affordable rental housing we recommend that Council further investigate the use of planning measures such as SEPP 70 and inclusionary zoning following the release of the Central District Plan.

Furthermore, the Commonwealth Government's Affordable Housing Working Group identifies that:

“One of the defining characteristics of housing is that the policy levers are shared across all levels of government. This means that meaningful change requires collaboration between the Commonwealth, States and Territories and local governments, with CHPs and the private sector.... Ultimately, for better housing outcomes to be delivered, all levels of government need to work with (and not against) each other to achieve greater coordination of effort and consistency in policy settings.”³²

Given the considerable debate and momentum for change at all levels of government, it is appropriate that Council also waits until the policies of the Commonwealth and State governments are finalised and then identifies how to respond and implement such policy at the local level through its own housing strategy.

As mentioned, the Central District Plan will provide some key policy directions for Council. We will provide a further report to the Urban Planning Committee when the GSC finalises the Central District Plan. The report will identify how the Affordable Rental Housing Target applies to Council, the expected impact the target may have in delivering affordable rental housing within the Woollahra LGA, and having regard to that, the need for Council to consider other approaches to encourage more affordable rental housing.

In the meantime, Council's Strategic Planning staff will continue to monitor how the Commonwealth Government responds to the report recommendations of its Affordable Housing Working Group, and also work with the SSROC to advocate for change and contribute to policy analysis and development.

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Annexures

Nil

Political Donations: Matters to be considered by Councillors at Council and/or Committee Meetings

